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Assistance for the reconstruction and development of Djibouti

Report of the Secretary-General

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 51/30 E of 5 December 1996 on assistance for the reconstruction and development of Djibouti. It provides a brief description of the progress made in the implementation of the resolution in Djibouti.

II. General situation

2. The Republic of Djibouti is strategically situated in the Horn of Africa at the juncture of the Red Sea and the Indian Ocean. It has a coastline of 370 kilometres and common borders with Eritrea in the north, Ethiopia in the west and south and Somalia in the south-east. The country covers an area of 23,000 square kilometres characterized by an arid climate and extremely limited water and agricultural potential. Annual rainfall averages only 130 millimetres and there is no significant food production.

3. The 1991 census gave an estimated population of 520,000. With an annual natural growth rate estimated at 3.1 per cent the population is projected to double in 22 years. In addition, there is a large refugee population from neighbouring countries, which has placed an enormous strain on the meager resources available. The total number of refugees and displaced persons is not known and estimates range from 100,000 to 150,000. The majority of Djiboutians are from the Afar and Somali ethnic tribes; the other groups are Yemeni Arabs and French nationals.

4. The population is mostly urban and is concentrated in the capital. The high urban concentration has led to many economic and social problems. In terms of human development, Djibouti is ranked, according the *Human Development Report 1997*, 162 among the 175 countries reviewed. According to that report, the adult literacy rate is no more than 45.5 per cent, while the life expectancy at birth is one of the lowest in the world (48 years). Women play an active role in the economy of Djibouti and constitute 32.2 per cent of the labour force. In the formal urban sector, women are employed mainly as clerical or administrative staff and in rural areas they play an important role in livestock raising.

5. Djibouti has a dual economy that is characterized by an important informal sector directed towards customers with a low purchasing power, and secondly, by a modern

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economy, based on a solid port and airport infrastructure, serving a population with high purchasing power but one that depends almost entirely on imports.

6. Djibouti enjoys one of the most liberal economic regimes in Africa. Its currency is freely convertible and there are no controls on capital movement.

7. Because of a lack of natural resources, the economy of Djibouti is based on services, a sector that contributes about 70 per cent of the country's gross domestic product, while the agricultural and industrial sectors remain very small. Djibouti enjoys a comparative advantage in the region thanks to its efficient port infrastructure, banking establishments, telecommunications facilities and, to a certain extent, the airport and the railroad link with Ethiopia.

8. Economic indicators for Djibouti have been declining in the past few years, mainly as a result of the high level of imports and the low level of exports. Djibouti has a structural trade deficit and its overall budget deficit is partially covered by external aid.

9. The real gross domestic product grew on average by 4 per cent over the period from 1988 to 1992. The growth was fuelled in part by a surge in the port activity and in part by the transit of massive food aid through the hinterland of Djibouti to Ethiopia and Somalia. The armed conflict in the north and south-west, which forced most of the country's development projects to a halt, combined with the socio-political situations prevailing in Ethiopia and Somalia, accelerated the deterioration of Djibouti's economy.

10. At the social level, living conditions are characterized by poor nutrition, resulting from low purchasing power, and poor health conditions, with widespread disease, including tuberculosis and human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), and inadequate educational facilities and limited qualified manpower. Above all, unemployment and urban population growth constitute critical problems, which are exacerbated by the numbers of refugees entering Djibouti from neighbouring countries.

11. According to available data, more than 40 per cent of health services are supplied to foreigners attracted by the proximity and the quality of Djibouti's hospitals and health centres. With the recent conflicts in the Horn of Africa, refugees (mostly from Ethiopia and Somalia) have increased the number of non-Djiboutians who benefit from the national health services. The health services are free for both nationals and refugees and with the increasing numbers of beneficiaries the health system can no longer provide adequate services to the population. Moreover, the armed conflicts in the north of the country have caused physical damage to the health infrastructures.

12. The national education system consists of six years of primary education, four years of lower secondary education and three years of secondary general education.

13. Djibouti's primary education is at present provided by a network of 64 public and 9 private schools. Out of the 35,000 children in primary schools in 1996/97, 32,000 were enrolled in public schools and 3,290 in private or Koranic schools. Student-teacher ratios in primary schools range from 34 to 43 students per teacher in the rural areas and at about 46 in the city. Student-classroom ratios range from 35 to 81 students per classroom and average about 65. Some schools with large numbers of students are forced to deal with the problem by holding double shifts, a practice that may have to be extended if the growing demand for more public education cannot be met by increased investment in more schools.

14. The employment situation is closely linked to the educational sector of the country. Each year, more than 4,000 young people have no access to a general secondary education or to any kind of professional training. They arrive on the labour market with no qualifications. The number is expected to grow within the next few years, particularly in the capital. The labour market is disproportionate because of the unbalanced structure of Djibouti's economy.

15. It is estimated that more than 80 per cent of enterprises are within the informal and semi-informal sector, including a large number of informal micro-enterprises, which play a key role in the economy of the country.

III. Overview of the current situation

16. The recent changes in the region — the collapse of the old regime in Ethiopia, the independence of Eritrea and the civil war in Somalia — have affected Djibouti, which in the past few years has also experienced its own internal strife between the Government and opposition groups.

17. The political negotiation initiated shortly after the multi-party presidential elections of April 1993 culminated in the official signature of a national Peace and Reconciliation Accord. The main provisions of that agreement further confirm the Government's willingness to associate all opposition groups in the democratization process.

18. In order to create an environment of peace and social stability, the Government has initiated a process of

demobilization of soldiers, whose numbers have increased from several thousand to 20,000. This process may take time to be completed, as opportunities to reintegrate the demobilized population into civilian life are not readily apparent and need to be explored in the overall context of the rehabilitation and reconstruction programmes.

19. The Government plans to provide each demobilized soldier with a financial allowance, which would facilitate the demobilization process. That would require a substantial amount of funding, which may not be available in view of the budget deficit spurred by the war effort and the decline in government revenues.

20. The impact of the conflict combined with a swelling civil wage bill have further depressed the country's financial situation. Faced with financial obligations far exceeding its capacity to fulfil, the Government has drawn heavily on the reserves of public enterprises, to the point of depletion. As that internal source of financing is diminishing, the volume of external aid, which had been significant, is now on a downward trend.

21. According to World Bank figures, the 1993 budget deficit stood at an alarming 12 per cent of the gross domestic product. Despite a slight improvement in 1994, the budget deficit is likely to widen as a direct result of a sustained decrease in fiscal and non-fiscal revenues brought about by mounting inflationary pressures spurred by excessive commercial borrowing. All that will culminate in less revenue collected, which in turn will make the reimbursement of cumulated arrears (estimated at 25 billion Djibouti francs in 1995) all the more problematic. A worsening current account position (10 per cent of the gross domestic product in 1993) compounds the overall situation of the economy.

22. The root causes of the aforementioned problems are in part structural and in part compounded by continuous inflows of refugees. The country's frail economy is able to absorb less than 60 per cent of the workforce and most of those employed earn only subsistence wages. Consequently, most Djiboutians are poor and poverty is on the rise owing to diminishing trade links with Ethiopia and Somalia.

23. The overall situation of the country is also characterized by insufficient pasture land and a high rate of livestock mortality. If there is no rainfall in the near future, the groundwater level will be reduced, resulting in a shortage of drinking water. Given the increasing influx of immigrants and refugees into Djibouti, the need for water resources is increasing. In the town of Djibouti, with 65 per cent of the total population, water sources in certain coastal areas have reached a high degree of salinity and imperil the agro-pastoral areas that were developed a few years ago. The drought is therefore not only the result of climatic change but is also structural, to the extent that it is aggravated by overexploitation and consumption of scarce water resources. The situation has been exacerbated by the internal conflicts and the resultant displacement of the rural populations, who are confined to remote areas with no pasture for their livestock.

24. With regard to social conditions, Djibouti is facing a serious health situation, with widely prevalent epidemic diseases. There are 3,000 new cases of tuberculosis every year and malaria is on the increase. Sexually transmitted diseases are also increasing, signalling a situation that is difficult to control. Malnutrition continues to be a major public health problem, in particular in the prevailing situation of economic crisis and pressures from refugees and displaced persons.

IV. Major issues

25. The situation in Djibouti has been adversely affected by the evolving critical situation in the Horn of Africa, the presence of tens of thousands of refugees and persons displaced from their countries, the extremes of local climate — cyclical droughts, torrential rains and floods, such as those which occurred in 1989 and 1994 — and the extremely limited financial capacity of the country to implement reconstruction and development programmes.

26. In addition, fighting between the Government and armed opposition groups in the north of the country resulted in a large displacement of the civilian population. It also resulted in the recruitment of over 12,000 soldiers who must now be demobilized and reintegrated into civilian life.

27. The Government of Djibouti has expressed a strong desire to press ahead with demobilization. The idea of demobilization stared in early 1994, when the Government announced that security problems were under control in the previously war-affected areas. So far, over 4,000 soldiers enlisted during the three-year conflict have been demobilized. Steps are being taken to demobilize the remaining 8,500 soldiers.

28. Although the Government has undertaken to pay separation grants for the demobilized soldiers, the demobilization process can only proceed with external support. Also given the need for a large reconstruction scheme, food aid would be an incentive for the former soldiers and displaced persons to participate in rehabilitation

activities involving the basic infrastructure, such as wells, health units and schools.

29. Djibouti has become a refugee hosting country. The increasing number of displaced persons and refugees, combined with the continuous flow of illegal immigrants in search of jobs and assistance, has become a matter of great concern to the Government.

30. Although there are no precise figures of the number of refugees, internally displaced persons and illegal immigrants, the Government believes that there are over 100,000 persons in need of assistance in the capital alone. It also claims that an equal number are affected by droughts.

31. Djibouti suffers from recurrent droughts. In 1994/95 the World Food Programme (WFP) provided 6,157 tons of emergency food aid for drought-affected people and animals. In 1996, 1,530 tons of emergency food aid was provided to drought victims under bilateral German agro-aid.

32. In 1997, WFP helped arrange a bilateral Swiss donation of 1,355 tons of rice, most of which was delivered to war-affected beneficiaries, including Djiboutian refugees who had been repatriated from Ethiopia in 1996. The remaining 25 per cent was given to refugee camp beneficiaries. Food requirements are met mostly through food imports, averaging some 60,000 tons of cereals annually. Djibouti's normal structural food aid requirement stands at about 18,000 tons. In 1996, WFP provided 4,200 tons of commodities, valued at about US$ 2 million, to Somali refugees and Ethiopian refugees from Somalia, and also to Djiboutian school children, orphans, hospital patients and participants in food-for-work schemes.

33. The health situation has immediate and long-term implications. The Government is providing medical services not only to its own people but also to a large number of refugees from Ethiopia and Somalia seeking free medical treatment in Djibouti. Those refugees often carry diseases, notably tuberculosis. The immediate need is thus to strengthen the country's capacity to address the problems of disease through immunization campaigns and provision of essential drugs. A longer-term solution must be found at the regional level to improve the health situation in neighbouring countries.

34. Djibouti's education is currently under pressure to meet the challenges of growing unemployment, a rising demand from a young population and a large influx of refugees.

35. With very high drop-out rates of about 10 per cent per annum for the last two grades of primary school and an estimated drop-out rate of over 30 per cent at the end of the primary cycle, it is not surprising that only about 27 per cent of those completing primary education gain a place in secondary school. This high level of attrition at a stage when continuing learning is both optimal and desirable represents, from an educational and manpower planning perspective, a wasted national opportunity to expand and strengthen the human resource pool for the enhancement of national productivity. Improvement in the overall quality of both primary and secondary education would require tackling the internal inefficiencies in the existing system and improving services in keeping with the nation's need for an educational content responsive to the changes occurring in the national market economy.

36. Technical and vocational education in Djibouti begins at the secondary-school level. Opportunities of a limited and very specific kind exist for some students to pursue professional training. Clearly, there is an ongoing need to give urgent attention to the issue of growing national unemployment, especially among school drop-outs and youths.

37. No active employment policies have been elaborated owing to the weak institutional capacity of the Ministry of Labour and Professional Training. The challenge, in terms of employment, is to be able to design a system that would target the unemployed according to the different categories: unskilled, school drop-outs, demobilized soldiers, refugees and women.

V. Role of the United Nations

38. One characteristic of the operational activities of the United Nations system in Djibouti is the sustained and close collaboration of all United Nations agencies present in the country with regard to their response to the growing social and economic problem of refugees. The refugee situation in Djibouti is affecting not only general security but also the health sector and sanitation. Djibouti's health infrastructure, although not fully developed, is accessible to all the local population. The influx of refugees from neighbouring countries affected by war, who are benefiting from the health services, has contributed to placing a heavy burden on the already weak public health infrastructure. The situation has also contributed to a deterioration of the environment and of the sanitation facilities in the country, in particular in the capital, and resulted in an outbreak of cholera in July 1993.

39. The organizations of the United Nations system present in Djibouti are developing activities related to

repatriation, food distribution and education, as part of the regrouping efforts to resettle refugees in camps.

40. Three months after the adoption of General Assembly resolution 50/58 F of 12 December 1995, the Administrator of the United Nations Development Programme (UNDP) undertook an official visit to Djibouti to discuss with both the national authorities and the donor community the reconstruction and rehabilitation needs of the country. A special ad hoc UNDP contribution has recently been translated into a fully approved project document for $428,000. The project seeks to address pressing rehabilitation needs through pilot activities in the three most affected areas of the country. It also aims at strengthening the capacity of the National Rehabilitation Committee in the design, implementation and monitoring of a coherent and well articulated national programme of rehabilitation based on the lessons learned from the pilot exercise. Joint technical assessment missions involving government representatives, the United Nations Disaster Management team and local and international non-governmental organizations will identify priority actions based on intense consultation with the populations. Pilot activities have now been selected, equipment has been ordered and interest has been explicitly expressed by other donors. Further external assistance will be needed to respond coherently to the immediate needs for the rehabilitation and reconstruction of the damaged social infrastructures.

41. A major component of the structural adjustment programme remains the demobilization of almost 8,500 soldiers. UNDP has provided financial support to strengthen the National Demobilization Committee's capacity to implement the programme prepared by the World Bank. In response to the Government's intention to revive the round-table process initiated in 1995, UNDP intensified consultations with the World Bank, the International Monetary Fund and the major bilateral aid organizations to enlist their full support for the organization and success of such meetings. The round table took place at Geneva in late May 1997.

42. During the meeting, the macro-financial stabilization programme submitted by the Government, which encompasses all aspects of Djibouti's economy, was fully approved and confirmed by the donor community, the United Nations, the League of Arab States and the other participants attending the meeting. The meeting was considered a success in that over 95 per cent of funding expectations were met.

43. In March and April 1996, the Office of the United Nations High Commissioner for Refugees (UNHCR) conducted a repatriation operation of 4,052 Ethiopians, reducing the total number of refugees from 23,991 to 19,939. In addition, over 200 urban refugees have been repatriated, thus reducing the urban refugee population to some 1,000. That follows a prior similar operation conducted between July and October 1995, which enabled the repatriation of 15,059 urban refugees to Ethiopia. A tripartite (Government of Djibouti/Government of Ethiopia/UNHCR) assessment mission to Ethiopia to determine the number of Djiboutian refugees in Ethiopia is envisaged. The ultimate aim is to repatriate an estimated number of 18,000 Djiboutians who fled during the civil war. As at 1 January 1997, there were 4,756 Ethiopians residing in the three remaining camps and 17,000 Somali refugees. The uncertain security and political climate has so far hampered any effective repatriation of Somali refugees.

44. The United Nations Children's Fund (UNICEF) is providing financial assistance ($40,000) to equip 17 primary schools representing 77 classrooms in four districts (Obock, Dikhil, Ali Sabieh and Tadjourah). That work is carried out in cooperation with the Government of France, whose contribution covers essentially the physical rehabilitation of the school infrastructure. In a joint undertaking with the Government of Italy, UNICEF contributed $60,000 to help strengthen mobile health teams in the Yoboki and Ali Sabieh areas and to provide equipment for six health centres, as well as essential drugs.

45. WFP is pursuing its assistance to schools, hospitals and the orphanage. The provision of meals to schoolchildren has been instrumental in increasing enrolment among rural children. In the past three years over 4,000 schoolchildren participated in the project, 42 per cent of whom were female. Similarly, food aid to the health sector acts as an incentive for outpatients to attend centres for continuous treatment against tuberculosis and as a budgetary saving by providing rations through hospital meals to in-patients. To date, more than 3,000 recipients country-wide benefit from the food assistance programme. Food aid through food-for-work created opportunities for about 2,000 recipients, 25 per cent of them women, in both rural and urban areas and has contributed to the improvement of the rural infrastructure, reforestation and other activities aimed at increasing the self-reliance of the rural population. Currently WFP is considering assistance to schools and orphanages and in support of women's income-generating and agricultural activities, as well as literacy and hygiene projects for adult women.

46. Looking beyond emergencies to long-term development explains the rationale behind food-for-work projects, which provide additional food for people whose incomes are too low for them to have access to sufficient

food for a healthy and productive life. The food supplied can also result in a substantial addition to their income. For that purpose intensive infrastructure work has been undertaken in Djibouti by poor households, with food provided as an incentive. The objective of these multipurpose food-for-work projects is to assist schemes for the improvement of rural infrastructure, reforestation training and other activities aimed at increasing the self-reliance of the rural population.

47. A major accomplishment of UNDP is the identification of the new role of the private sector, now considered by the Government and the donor community as one of the main engines for economic and social development. In 1993, UNDP played a leading role in that regard by encouraging institutional reform and legal restructuring of private sector legislation. The $500,000 programme included a reshaping of the Djiboutian code of commerce involving fiscality, an investment code, work legislation and investment promotion.

48. Protection of the environment has played an important role in Djibouti. A national workshop on sustainable development and environmental management was held in December 1993 and a disaster management workshop in October 1993. The two workshops helped identify national needs and develop a strategy to put forward for the development of new legislation. There is a project proposal worth $350,000 for strengthening the national capacity for environmental management and preparing the national environmental action plan. An office for environment has been created and enhanced with the recruitment of two persons. The World Bank provided a consultant who prepared a workplan and identified the preliminary activities of the project. That was followed by a seminar, which brought together financiers, non-governmental organizations and the private sector to streamline the national environmental action plan preparation process and to define the roles of different partners involved in environment issues.

49. The Government of Djibouti continues to be seriously concerned about the presence in the country of an estimated 120,000 refugees, displaced persons and illegal immigrants, which places pressure on the country's limited resources and social and economic infrastructures.

50. The living conditions in the refugee camps are basic and there are no prospects for the introduction of income-generating activities. The camps are located in barely accessible sites close to the Ethiopian and Somali borders. Food assistance is provided by WFP, the medical and nutritional sectors are covered by the Association of Medical Doctors of Asia, and the educational activities for some 1,500 refugee children in camp schools are funded by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The Evangelical Protestant Church of Djibouti provides limited social assistance to urban refugees living in the capital. In addition to its role of providing international protection to refugees, the UNHCR branch office in Djibouti is funding and ensuring the overall supervision and monitoring of the assistance programme. The assistance budget for 1996/97 is $1.8 million, not including the estimated $4 million in food assistance provided by WFP for 1996/97. The difference compared with the previous budget is related to the new UNHCR objective to improve the water supply in the refugee camps.

51. The World Health Organization (WHO) and UNDP are deeply involved in the fight against the spread of HIV and AIDS. In 1993, the two organizations contributed to the creation of a counselling unit that helped reduce the impact of the epidemic through education of the population, public sensitization and awareness programmes. The unit was established in the context of the National Committee for the Fight against AIDS, which UNDP has also supported by training its members and financing a field visit to three African countries where the AIDS epidemic is widespread (Zambia, Senegal and Uganda). A project proposal elaborated by the members of the National Committee is now under evaluation by UNDP. In May 1995, UNDP and the Government signed a project document committing $45,000 to combat HIV/AIDS. In 1997, UNDP also committed $50,000 for assistance to two national non-governmental organizations involved in the fight against AIDS. In the context of the Joint United Nations Programme on HIV/AIDS, a thematic group comprising all United Nations agencies concerned has been established by the Resident Coordinator.

52. The main concern of the Government in the health sector is to create a health system accessible to all. An effort has been made to develop primary health care and establish rural health centres, as well as to train staff.

53. A project will be implemented in close cooperation with WHO to prevent HIV/AIDS by raising public awareness through the work of community health workers with high-risk groups.

VI. Conclusions

54. Djibouti's difficulties and problems are related first and foremost to the conflicts in the Horn of Africa, which have created a large movement of displaced populations and reduced the country's revenues as a result of loss of trade

and services. In addition, recurring emergencies, such as droughts, floods and epidemics, combined with large-scale destruction of livestock, water sources and health and education facilities as a result of the war in the country, have considerably increased Djibouti's emergency and humanitarian needs.

55. As a result of a major repatriation programme to Ethiopia and a more stringent national policy, the pressure from refugees, displaced persons and illegal immigrants has been somewhat alleviated. However, the problem of displaced persons resulting from the civil strife (1991-1994) remains and needs to be adequately addressed through specific actions, including the rehabilitation of affected areas and reintegration schemes for the returnees. As to the remaining refugees in Djibouti (most of whom are of Somali origin), UNHCR will continue to seek, in partnerships with all concerned, durable solutions to their plight.

56. In this respect, the most feasible long-term solution to the presence of the refugees in Djibouti will require regional political agreements that would enable the immigrants to return to their countries and keep potential newcomers in their places of origin. This long-term action would require the formal political commitment of the concerned countries and could be facilitated by the United Nations system in close cooperation with the Djibouti-based Intergovernmental Authority for Drought and Development.

57. There is also an urgent need to support the Government's demobilization programme through budgetary support in order to alleviate the financial constraints of demobilizing thousands of military personnel. Demobilization is a major issue that needs to be addressed in the larger context of rehabilitation and development and is a necessary condition to the restoration of peace, stability and national reconciliation. It will encourage the internally displaced people to regain confidence and return to their homes and will alleviate the heavy financial burden on the national budget.

58. The immediate need is for the rehabilitation and reconstruction of damaged or destroyed social infrastructures (schools, dispensaries, water facilities) in all regions that have been affected by civil strife. External assistance sources will be requested to provide the necessary financial support, as well as equipment and materials, needed for the reconstruction phase.

59. In order to initiate the rehabilitation process, an effort will need to be made by the authorities to encourage displaced populations to return to the towns and villages they have left before serious efforts are made to restore public services. In that way, community participation in the renovated facilities would transfer to the community itself a sense of pride and ownership in the running and maintenance of services at the local level.

60. The Government is facing critical financial difficulties resulting from the civil strife in the country. It is estimated that at least $30 million will be urgently needed to mitigate the socio-economic impact of the war. In order to alleviate the financial difficulties, the Government has initiated a demobilization process of some 11,500 military personnel. However, as the process will take several years to complete, it is appropriate to plan short-term budgetary aid and to assist in the economic and social reintegration of those demobilized. The round table held at Geneva in May 1996 was successful in attracting significant donor pledges to assist Djibouti in the short term.

61. The large numbers of primary school drop-outs with insufficient skills to enter a restricted labour market and the increasing numbers of young illiterates suggest a problem that requires serious consideration. The challenge will be to try to reform the educational system in order to make it less costly, more accessible and more relevant to the needs of the country. Unless more effort is made to educate and train Djiboutians, the kind of manpower development challenges now facing the country's fragile and declining economy will be difficult to meet, both in the short and the long term.

62. In order to understand better the emergency situation, it is important to assess separately the short-term needs of the different population groups, namely, refugees, illegal immigrants, internally displaced persons and demobilized soldiers.

63. A national action plan for rehabilitation is being prepared with UNDP funding in order to ascertain the precise nature of damage incurred and to determine the need for assistance. The authorities have identified a number of schools and dispensaries in Obock and Tadjoura districts that require immediate attention.

64. Well-coordinated action by the local authorities and the active participation of returnees, including demobilized soldiers, may secure the financial and technical support needed to get the job done quickly and effectively. In this regard, a number of projects could be initiated or reactivated in the following sectors: basic urban infrastructure maintenance, road construction and maintenance, afforestation and reforestation, and maintenance of water sources and wells. That would also alleviate the critical unemployment situation as it would allow greater access to economic opportunities. Food aid would be an incentive for the former soldiers and returnees to participate in the rehabilitation activities. The Government has also expressed

its preference for "cash and food-for-work" over free food distribution.

65. Such a rehabilitation programme would require an international presence in the affected areas in order to provide the necessary technical support and more importantly a sense of security and confidence to the population. In this context, UNDP is serving as the coordinating body for a cross-mandate operation on behalf of all United Nations agencies, as well as the United Nations Volunteers programme, enlisting their active support in specific area- and community-based rehabilitation and reconstruction schemes. A phased-approach strategy has been adopted in harmony with the return of the displaced persons and the pace of the demobilization process.

66. In conjunction with the rehabilitation programme and as soon as the majority of the displaced persons have returned, reconstruction projects with high labour intensity will be initiated, for both public socio-economic infrastructure and private properties.

67. Those projects could be implemented by small private contractors, with the strong participation of the communities. Measures would have to be taken to support the creation of micro-enterprises in all branches of activities (commerce, agriculture, fisheries, services, crafts), with an emphasis on the use of a technology appropriate to the local conditions and the use of credit and other financing mechanisms. The organizations of the United Nations system present in Djibouti are constantly dealing with that problem by developing activities related to repatriation, food distribution and education, as well as by initiating regrouping efforts to resettle refugees in camps and by clean-up operations in the capital.

68. The international community is requested to provide financial support to enable the continuation of the technical assistance projects in order to meet urgent socio-economic programmes for the reconstruction and development process in Djibouti.